

1                   **RECOVERY OF ADMINISTRATIVE FEE FOR**  
2                   **DAMAGES SUSTAINED TO A RENTAL MOTOR**  
3                   **VEHICLE**

4                   2003 GENERAL SESSION

5                   STATE OF UTAH

6                   **Sponsor: Rebecca D. Lockhart**

7   **This act modifies the Insurance Code to authorize a vehicle rental company to charge an**  
8   **administrative fee for damage sustained to a rental vehicle. This act allows the collection**  
9   **of an administrative fee that vehicle rental companies may charge to offset the expenses**  
10   **incurred for collecting and resolving a damage claim on a rental vehicle. This act adds**  
11   **the administrative fee and any diminution in value to the definition of damage to a rental**  
12   **vehicle. This act sets a sliding scale for administrative fees beginning at \$50 for estimated**  
13   **damage to the rental vehicle of \$250 or less and going up to \$250 for estimated damage**  
14   **exceeding \$2,501.**

15   This act affects sections of Utah Code Annotated 1953 as follows:

16   AMENDS:

17           **31A-22-311**, as last amended by Chapter 316, Laws of Utah 1994

18   ENACTS:

19           **31A-22-312.5**, Utah Code Annotated 1953

20   *Be it enacted by the Legislature of the state of Utah:*

21           Section 1. Section **31A-22-311** is amended to read:

22           **31A-22-311. Definitions.**

23           As used in Sections 31A-22-312, 31A-22-312.5, and 31A-22-314:

24           (1) "Administrative fee" means a fee collected by a vehicle rental company under  
25   Section 31A-22-312.5 to offset expenses incurred in administrating the collection and  
26   resolution of a claim.

27           [~~(1)~~] (2) "Authorized driver" means the person to whom the vehicle is rented and



28 includes:

29 (a) his spouse if a licensed driver satisfying the rental company's minimum age  
30 requirement;

31 (b) his employer or coworker if engaged in business activity with the renter and if they  
32 are licensed drivers satisfying the rental company's minimum age requirement;

33 (c) any person who operates the vehicle during an emergency situation;

34 (d) any person who operates the vehicle while parking the vehicle at a commercial  
35 establishment; or

36 (e) any person expressly listed by the rental company on the rental agreement as an  
37 authorized driver.

38 ~~[(2)]~~ (3) "Damage" means any damage or loss to the rented vehicle ~~[resulting from a~~  
39 ~~collision;]~~ including;

40 (a) loss of use ~~[and]~~;

41 (b) any costs and expenses incident to the damage or loss~~[-]~~;

42 (c) an administrative fee associated with the loss, as calculated under Section  
43 31A-22-312.5; and

44 (d) any diminution of value of the rental vehicle as a result of the damage or loss.

45 ~~[(3)]~~ (4) "Rental agreement" means any written agreement stating the terms and  
46 conditions governing the use of a private passenger motor vehicle provided by a rental  
47 company.

48 ~~[(4)]~~ (5) "Rental company" means any person or organization in the business of  
49 providing private passenger motor vehicles to the public.

50 ~~[(5)]~~ (6) "Renter" means any person or organization obtaining the use of a private  
51 passenger motor vehicle from a rental company under the terms of a rental agreement.

52 Section 2. Section **31A-22-312.5** is enacted to read:

53 **31A-22-312.5. Limitation of administrative fee.**

54 A vehicle rental company may charge an administrative fee which may not exceed:

55 (1) \$50 when the estimated damage to the rental vehicle is \$250 or less;

56 (2) \$75 when the estimated damage to the rental vehicle is between \$251 and \$500;

57 (3) \$100 when the estimated damage to the rental vehicle is between \$501 and \$750;

58 (4) \$150 when the estimated damage to the rental vehicle is between \$751 and \$1,500;

- 59           (5) \$200 when the estimated damage to the rental vehicle is between \$1,501 and  
60    \$2,500; and  
61           (6) \$250 when the estimated damage to the rental vehicle exceeds \$2,501.
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**Legislative Review Note**  
**as of 2-7-03 11:07 AM**

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**

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**Fiscal Note****Bill Number HB0328****Recovery of Administrative Fee for Damages Sustained to a Rental  
Motor Vehicle***13-Feb-03**10:54 AM*

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**State Impact**

No fiscal impact.

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**Individual and Business Impact**Auto renters may experience increases in premiums to cover the expanded definition of "damages."

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**Office of the Legislative Fiscal Analyst**